GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2710
ANSWERED ON:15.12.2015
Urea Subsidy
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Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS & FERTILIZERS be pleased to state:

(a) the requirement of fertilizers by the farmers of the country and the amount of subsidy paid by Government to fertilizer industry during the last three years and the current year;

(b) whether the Government proposes to pay the subsidy amount to farmers in their account directly and if so, the time by which it is likely to be implemented and if not, the reasons therefor;

(c) the steps taken/being taken to ensure that the poor and marginal farmers get the maximum benefit of urea, fertilizer subsidy;

(d) whether rising consumption of highly subsidized urea has resulted in the declining consumption of other fertilizers, if so, whether the government is considering a revision in prices of urea/fertilizer or undertaking any other efforts to reduce the over-consumption of urea and other imbalanced use of soil nutrients if so, the details thereof; and

(e) the current unpaid subsidy bill of the urea sector and whether the Government plans to cut the subsidy on chemical fertilizers, if so, the details thereof and the timeline for the same, if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI HANSRAJ GANGARAM AHIR)

(a): The requirement of fertilizers namelyUrea, DAP, MOP & NPK as assessed by the Department of Agriculture, Cooperation and Farmers Welfare for agricultural purpose during the last three years and current is given below:

<Figures in LMT>

Year	Urea	DAP	MOP	NPK
2012-13	315.43	123.58	47.82	111.52
2013-14	316.90	109.85	35.13	107.35
2014-15	306.70	95.93	30.26	99.81
2015-16	314.64	102.44	36.16	106.24

Fertilizer subsidies paid during the last three years and current years (up to October 2015), year-wise, are as in table below:

(Rupees in crores)

Particulars	2012-13	2013-14	2014-15	2015-16 (Up to Oct'15)
Indigenous Urea	20000.00	26500.00	38200.01	34863.97
Imported Urea	20016.00	15353.30	16200.00	10158.90
Indigenous P&K Fertilizers	16000.00	15500.00	12000.00	8998.73
Imported P&K Fertilizers	14576.10	13926.86	8667.30	6257.58

(b): The Department of Fertilizers is exploring possibilities of transferring the fertilizer subsidy directly to the farmers.

(c): Urea is provided to farmers at a statutory price of Rs. 5360/MT (plus sales tax and other local taxes wherever levied) plus a maximum of 5% of the statutory price for neem coating urea. The MRP of urea is much below the actual delivered cost. The difference of delivered price and MRP is paid as subsidy to the urea manufacturer/importer by the Government of India.

The MRP along with the subsidy provided on these fertilizers is printed on each bag of these fertilizers and the farmer, who purchases these fertilizers, gets the benefit of subsidy as the subsidy on fertilizers is provided to farmers irrespective of their landholding and economic status.

(d): Consumption (per hectare consumption) for fertilizers namely, Urea, DAP, MOP and Complexes as given below:

Products

Product Per Hectare Consumption (kg/hectare)
2010-11

2010-11 2011-12 2012-13 2013-14 2014-15
Urea 142.47 151.43 154.68 151.89 155.90
DAP 55.09 52.20 47.20 36.52 38.84
MOP 19.92 15.51 11.40 11.32 14.53
Complexes49.48 53.24 38.81 36.05 42.16
Source of Consumption: State Governments

On comparison of consumption of P&K fertilizers during last 5 years (2010-11 to 2014-15), it is observed that consumption of P&K fertilizers has shown more or less the decreasing trend till the year 2013-14 (except complexes). However, the consumption during the year 2014-15 has increased when compared with that during the year 2013-14.In case of urea, there is no clear-cut trend. The consumption has increased till the year 2012-13 when compared with the consumption during the previous years. Thereafter, in the year 2013-14 it has decreased and it has increased again during the year 2014-15.

Department of Agriculture, Cooperation and Farmers Welfare, is taking following steps to create awareness among farmers for balanced use of fertilizers: -

(i) Training of farmers: Under National Mission on Sustainable Agriculture, financial assistance for two days training to farmers on balanced use of fertilizers is provided @ 10,000/- per training through State Government/ICAR/SAUs/Fertilizer Industry.

(ii) Frontline Field Demonstration (FFD): Under National Mission on Sustainable Agriculture, financial assistance for field demonstrations on balanced use of fertilizers at farmers' fields @ Rs. 20,000/- per FFD is provided.

(iii) In year 2015, Soil Health Card Scheme is introduced to assist State Governments to issue soil health cards to all farmers in the country. Soil Health Card will provide soil test based recommendations on appropriate dosages of required fertilizers to the farmers.

(iv) Under National Mission on Agricultural Extension & Technology also, activates such as capacity building of extension functionaries and farmers, from line demonstrations, exposure visits, kisanmelas, farmers group mobilization, farm schools and farmers-scientists interaction etc. are taken up. Through these activates, latest agriculture technologies are disseminated to farmers of the country including creating awareness among farmers for the balanced use of fertilizers. Further information on judicious use of fertilizers are also broadcast through Krishi Darshan and other programmes, and through focused advertisement campaign under Mass Media scheme implemented through Ministry of Agriculture and Farmers Welfare.

(e) : The current unpaid subsidy bills for Imported Urea sector is about Rs. 1668 crore. Unpaid subsidy bill of Indigenous Urea sector is about Rs.10747 crore. The nutrient based subsidy rates of P&K fertilizers are decided annually. The subsidy rates for 2016-17 are yet to be reviewed.

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